

95
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RE-ISSUE

REPORT ON INFORMATION GIVEN BY "HOMER" (1944)

From: NEW YORK

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[Part I] To: VIKTOR[1].

[3 groups unrecovered] HOMER's[GOMER][ii] report of 2nd September (the verbatim quotations from the report are in inverted commas):

1. In connection with the Anglo-American economic talks HOMER points out that "in the opinion of the majority of the members of the British Government the fate of ENGLAND depends almost entirely on AMERICA. They consider that ENGLAND can remain a strong and prosperous power if she maintains the volume of her imports which she can do in two ways:

1. By getting supplies from AMERICA gratis by DECREE[DEKRET][iii] or otherwise.
2. By restoring her exports to the required volume.

The immediate aim of the British Government consists in

[12 groups unrecovered]

will be delayed until the end of the war with JAPAN and also receiving permission

[Continued overleaf]

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- 2 -

3/NBF/T81

[17 groups unrecovered]

NABOB[iv] to admit HEN-HARRIER[LUN'] [v] and others who concentrate on internal political difficulties. In negotiations with the LEAGUE[LIGA][vi] the British will advance the following arguments:

[16 groups unrecovered]

ENGLAND and eliminate her as an economic factor but this

[39 groups unrecoverable]

ENGLAND,

[78 groups unrecovered]".

[Part II]

2. "The question as to whether the north-western and southern zones of GERMANY will be occupied respectively by the British or the Americans has not yet been decided and will be discussed by CAPTAIN[KAPITAN][vii] and BOAR[KABAN][viii] at their meeting which, as far as I know, will take place at QUEBEC about 9th September. Besides this no decision has been taken on two fundamental questions:

1. Is it desirable to attempt to maintain GERMANY on a moderately high level of economic stability and well-being or should the armies of occupation let her starve and go to pieces?
2. Is it desirable to help GERMANY to remain a single administrative [2 groups unrecovered] or should the armies of occupation do all they can to split up GERMANY into separate states?"

Citing the STRANG[ix] documents which you know of, H. [G.] [x] emphasizes that the plans of the British, in large measure, are based on the opinion of the British Foreign Office. A sub-committee on post-hostilities planning of the British Chiefs of Staff issued a paper on 19th August, the authors of which [1 group unrecovered] "[B] the consideration from a military point of view of all the facts for and against the division of GERMANY into separate German states and for the division of GERMANY into at least three states corresponding to the boundaries of the three zones of occupation and [0% it is recommended] that the Anglo-American armies of occupation should, as a first priority,

[32 groups unrecoverable]

divided GERMANY

[25 groups unrecovered]

[0% un]divided GERMANY would more probably get into

[43 groups unrecovered]

and ENGLAND

[25 groups unrecoverable]

[Part III]

The Americans have created a special commission with the powers of a government department to examine policy relating to GERMANY. Among the questions which it is to discuss are:

[Continued overleaf]

3/NBF/T81

~~TOP SECRET~~

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- 3 -

3/NBF/T81

- "1. Should GERMANY be helped (for instance by the American occupation forces) to maintain or restore order and economic stability?
2. Should GERMANY be split up into separate states?
3. How should HITLER, HIMMLER and the rest, be dealt with, if they should be caught?
4. Should the RUHR be internationalised?"

NABOB strongly opposes the first point and proposes letting economic ruin and chaos in GERMANY develop without restriction in order to show the Germans that wars are unprofitable. The assistant to the head [KHOZYAIN] of the ARSENAL[xi], McCLOY[xii], points out that such a situation would be intolerable for the army of occupation, that the responsibility for some minimum of order [4 groups unrecovered] and so forth - NABOB obtained CAPTAIN's consent to the use of yellow-seal dollars by American troops instead of military marks as had been previously agreed with the British and the Russians. The purpose of this is to turn the American occupation forces into the economic masters of GERMANY. McCLOY, LAWYER[LOJER][xiii], high officials in NABOB's establishment as well as the British, are opposed to this. The British and McCLOY are trying to get CAPTAIN to revoke this decision. McCLOY [4 groups unrecovered] division of GERMANY averring that this attempt is doomed to failure. His views have some significance since he has direct access to CAPTAIN.

3. Under the influence of BOAR and LEEPER[LIPER][xiv], the British intend to set up and keep in power in GREECE a government well-disposed towards ENGLAND and willing to help her and hostile to communism and Russian influence. Their tactics consist in supporting the King as much as possible but also in leaning on the so-called liberal elements which might take the King's place if the opposition to him were to become too strong. For military reasons the British were forced to support EAM and ELAS to a certain extent.

[Part IV]

In order to achieve their political ends the British intend to land a British division from Italy in GREECE to keep PAPANDREOU in power. As you know, this plan will be realized very soon. The LEAGUE regards the British intrigues in GREECE with some suspicion and HOMER hopes that we will take advantage of these circumstances to disrupt the plans of the British and all the more so since the IZBA[xv] still supports EAM and ELAS.

4. After Comrade STALIN had refused to allow American aircraft to land on our territory

[9 groups unrecovered]

personal message suggested to CAPTAIN that [B^r he should agree to]

[30 groups unrecovered]

No. 705
6 September

MAY[MAJ][xvi]

[Comments overleaf]

3/NBF/T81

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- 4 -

3/NBF/T81

Comments: [i] VIKTOR: Lt. Gen. P.M. FITIN.

[ii] HOMER: Donald Duart MACLEAN.

[iii] DECREE: Lend-Lease.

[iv] NABOB: Henry MORGENTHAU, Jr.

[v] HEN-HARRIER: Cordell HULL.

[vi] LEAGUE: U.S. Government.

[vii] CAPTAIN: Franklin D. ROOSEVELT.

[viii] BOAR: Winston S. CHURCHILL.

[ix] STRANG: Sir William STRANG, U.K. Representative on European Advisory Commission.

[x] H. Abbreviation for HOMER, the covername of Donald Duart MACLEAN.

[xi] ARSENAL: War Department.

[xii] McCLOY: John J. McCLOY, Assistant Secretary of War.

[xiii] LAWYER: Harry Dexter WHITE.

[xiv] LEEPER; Reginald Wildig Allan LEEPER, HBM Ambassador in ATHENS.

[xv] IZBA: O.S.S.

[xvi] MAY: Stepan Zakharovich APRESYAN, Soviet Vice Consul in NEW YORK.

3/NBF/T81

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